

June 6, 2001

Local Boundary Commission
550 West 7th Avenue, Suite 1770
Anchorage, AK 99501

Dear Commission Members:

Thank you for the opportunity to comment on your proposed regulation changes. Following are my comments concerning the significant changes proposed regarding standards for borough incorporations and annexations.

Under 3 AAC 110.200 LEGISLATIVE REVIEW, the Local Boundary Commission (LBC) proposes to delete language which requires the LBC to judge whether a proposed borough annexation **serves the balanced best interests of the state, the territory to be annexed and all political subdivisions affected by the annexation**. In addition to the removal of this language from this section, the LBC is proposing to add language that if “any one of the following circumstances exist” that the area may be annexed to a borough including a new criteria that “annexation of the territory will promote local self-government with a minimum number of local governmental units”.

In its October 1998 report to the LBC on The Ketchikan Gateway Borough’s Petition to Annex Approximately 5,524 Square Miles, the Department (then DCRA) stated the following regarding the standards established under 3 AAC 110.200 that the annexation serve the balanced best interest of the state, the territory to be annexed and affected political subdivisions for annexation:

“This standard, in particular, provides the LBC with broad flexibility in judging the merits of annexation proposals to ensure that they represent sound public policy from a statewide perspective.”

“It is the position of DCRA policy makers that the adverse impacts on other communities are vital considerations in judging the instant standard. The view of DCRA policy makers is such that the financial implications should be considered in every instance. In cases where the prospective new or larger local government is not taking on additional responsibilities that are commensurate with the increased level of funding, those effects become critical, perhaps controlling, in the outcome of the proposal.”

While removing key language in 3 AAC 110.200, the proposed regulations also add a new section 3 AAC 110.195 which defines BEST INTEREST OF STATE relating to borough annexations. The three factors specifically listed under this new section are 1) promotes maximum local self-government; 2) promotes a minimum number of local government units; and 3) will relieve the state government of the responsibility of providing local services.

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Based upon past decisions of the Alaska Supreme Court and the LBC, it is difficult to imagine any borough annexation proposal which would fail to meet these proposed Best Interest of State factors. This new section coupled with the amendments to 3 AAC 110.200, would make it virtually impossible for the LBC to find against a proposed borough annexation regardless of its adverse affects on other political subdivisions.

It is noteworthy that the LBC proposes to keep as relevant factors for dissolution of boroughs under 3 AAC 110.330 BEST INTEREST of STATE the following:

- 4) the effect that the proposed dissolution will have on the harmony of relations among residents of the borough proposed for dissolution, and between the residents of the borough and others residing near the borough;
- 5) the social and economic impacts of the proposed dissolution on other communities in the state;
- 6) the effect of the proposed dissolution on the long-term stability of the finances of other municipalities and the state.

The above comments only reference sections relating to annexation to boroughs and dissolution of boroughs. However, within these proposed regulations similar changes have been made relating to borough incorporations. These comments relate to those sections as well.

It appears these proposed changes significantly weaken the LBC's responsibility to judge borough incorporation and annexation proposals based on sound public policy from a statewide perspective including the vital consideration of the adverse impacts on other communities.

Sincerely,

Bill Rolfzen
Juneau, Alaska